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MEMORANDUM FOR SPEC DIRECTORS OF FIELD OPERATIONS AND
PRODUCT AND PARTNERSHIP DEVELOPMENT; CHIEFS OF PROGRAM
MANAGEMENT, COMMUNICATIONS AND MARKETING, AND
STRATEGIC PLANNING

FROM: Julie Garcia /s/ **Julie Garcia**
Acting Director, Stakeholder Partnerships, Education
and Communication

SUBJECT: Interim Guidance on the Student Tax Clinic Program

The purpose of this memo is to issue interim guidance required for the Student Tax Clinic Program (STCP). Please ensure that this information is distributed to all affected employees within your organization.

1. **Source(s) of Authority:** IRM 22.30.1
2. **Effect on Other Documents:** This guidance will be incorporated into IRM 22.30.1 by 10/01/2008.
3. **Contact:** Julie A. Schneiberg
4. **Expiration Date:** 10-21-2008

Attachment

cc: IMD Coordinator
Office of Servicewide Policy, Directives, & Electronic Research
www.irs.gov

22.30.1.4.21 Student Tax Clinic Program (STCP) Overview

- (1) The Student Tax Clinic Program (STCP) is designed to provide free tax counseling to taxpayers who would not normally obtain counsel in audit, collection, appeals and tax court cases.
- (2) The STCP is staffed by law and graduate accounting students who must receive special permission from the Director, Office of Professional Responsibility to represent taxpayers before the IRS during examination and appeals proceedings.
- (3) SPEC territory personnel recruit schools, and provide guidance to clinic sponsors.
- (4) SPEC area offices provide guidelines and direction to the territory offices to implement the STCP, and SPEC headquarters personnel provides program guidance to the area offices.

22.30.1.4.22 Objective of the STCP Program

- (1) Benefit the community by providing free tax assistance and counseling to taxpayers who would not normally obtain counsel in audit, collection, appeals and tax court cases.

22.30.1.4.23 Responsibilities for STCP

- (1) The Director, Office of Professional Responsibility will:

- Oversee the regulations concerning practice before the IRS
- Issue special orders permitting students to practice before the IRS.

- (2) The Director of SPEC will:

- Grant the approval of institutions to become a STCP
- Forward applications to the Director, Office of Professional

Responsibility requesting issuance of special orders permitting students involved in an approved STCP to practice before the IRS.

- (3) The SPEC area office is responsible for reviewing and forwarding applications to the headquarters office for final approval.

- (4) The SPEC territory manager will:

- Coordinate the overall program

- Recruit schools to participate in the program
- Inform appropriate officials in other functions during the implementation of a new tax clinic
- Answer questions about the program from interested schools
- Negotiate IRS approval of clinics
- Provide assistance with publicity for tax clinics.

(5) The Small Business/Self Employed (SB/SE) Compliance function will:

- Keep the SPEC territory manager informed of all administrative matters
- Address student groups participating in a tax clinic when appropriate
- Include stuffer notices on clinic availability when mailing appointment letters
- Make every reasonable effort to accommodate a taxpayer if he/she needs to reschedule an appointment for an interview.

22.30.1.4.24 STCP Recruitment

(1) A pattern letter may be sent to graduate accounting or law schools that have recently received accreditation by the American Bar Association (ABA), the American Assembly of Collegiate Schools of Business (AACSB), or other bona fide accrediting bodies, making them eligible to be clinic sponsors (see Exhibit 22.30.1-1). The letter may also be sent to schools that have not been contacted previously.

(2) Other recruiting efforts are encouraged, as the territory manager deems appropriate, to make STCP services available to taxpayers within the territory, while furthering education development opportunities for future attorneys and accountants.

22.30.1.4.25 Inquiries from Schools on STCP

(1) When a graduate accounting or law school representative inquires about starting a STCP, the SPEC territory manager should:

- Provide an overview of the program
- Inform the representative that the Director of SPEC and the Director, Office of Professional Responsibility must approve applications to sponsor a clinic. These approvals are independent of each other and both are required.

22.30.1.4.26 STCP Program Administration

(1) Any consultations desired by the territory office or the STCP with the Director, Office of Professional Responsibility will be scheduled by the SPEC headquarters analyst.

22.30.1.4.27 Requirements for Participation in STCP

(1) The IRS requires that participating schools agree to the following:

- Meet minimum education standards established by the ABA, AACBS, or other bona fide accrediting bodies such as state licensing authorities.
- Enroll in the clinic only qualified law or graduate accounting school course in individual income tax
- Arrange the clinic so that sufficient supervision of the students by a license attorney, CPA, enrolled agent, law or accounting professor is available
- Charge no more than a nominal fee to taxpayers assisted and give at least one consultation to each taxpayer who asks for assistance in connection with an examination, collection or appeals issues (assistance beyond the initial consultation will be at the discretion of the clinic). Any out-of-pocket expenses incurred during the conduct of individual cases (i.e. transcript fees, document searches, photocopying) may be charged to the taxpayer.
- Require that the clinic director agree not to engage in any activity connected with the clinic that may raise a question of a conflict of interest (see “Conflicting Interests,” Treasury Department Circular No. 230 (Revised 7-94), *Regulations Governing practice of Attorneys, Certified Public Accountants, Enrolled Agents, and Appraisers before the Internal Revenue Service.*)
- Provide the SPEC territory manager, at the end of each clinic term, with the number of taxpayer consultations given, and the number of taxpayers represented before the IRS during examinations, appeals conferences, and in cases that involve representation during both examination and appeals.

22.30.1.4.28 Processing Applications for STCP

(1) The interested school should submit in duplicate, a letter of application to its IRS territory manager agreeing to adhere to IRS minimum requirements for participation in the STCP. The clinic director or other responsible officials of the school should sign the letter of application, see Exhibit 22.30.1-2 for a sample letter, which may be sent to recruit schools interested in the STCP.

(2) Letters of application from law or graduate accounting schools will be given IRS approval by the Director of SPEC after the appropriate territory manager recommends approval. Approvals generally will be recommended following the guidelines in IRM 22.30.1.4.28 Approval of Clinics for STCP. Questions, which arise during consideration of applications, should be forwarded through normal channels to the SPEC headquarters office.

(3) The SPEC territory manager will be responsible for coordinating the consideration of applications and should keep the appropriate SB/SE Compliance personnel informed during this process.

(4) The territory office should forward applications recommended for approval to the area director. The area director should forward applications recommended for

approval with memos of concurrence or non-concurrence to the Director of SPEC through the headquarters analyst responsible for STCP no more than 15 days after the area director receives the application. (Territory managers should keep duplicates of the letters of application on file.)

22.30.1.4.29 Approval of Clinics for STCP

(1) The Director of SPEC will issue a memorandum to the appropriate territory authorizing participation in each STC. This memorandum authorizes territory participation in the clinic only. It does not mean the clinic has been approved or that the students may practice before the IRS.

(2) The Director, Office of Professional Responsibility must issue approval of the clinic and special orders permitting students to practice before the IRS. Before any student may practice before the Service, he or she must receive these special orders. The clinic director obtains these special orders by submitting a request directly to the Director, Office of Professional Responsibility.

(3) When requesting approval of the clinic, the Director, Office of Professional Responsibility will need the following information:

- The approximate number of students who will be enrolled in a clinic.
- The type and level of supervision (including the credentials of the supervisor(s)).
- Whether a clinic will have regular meetings and, if so, the frequency and purpose of the meetings

(4) In addition, when requesting special orders, the following information is required by the Director, Office of Professional Responsibility:

- The names of the students for whom the special orders are to apply
- The schools from which the students received their undergraduate degrees and their majors.
- The graduate program in which they are enrolled.
- The tax courses they have successfully completed.
- Other information the requestor believes is relevant.

(5) Because additional information may be required, the clinic director must contact the Director, Office of Professional Responsibility regarding the Director, Office of Professional Responsibility's requirements for approval, prior to requesting the special orders.

(6) When special orders are received, student representatives may begin to assist taxpayers during examination and appeals proceedings. Student representatives should have available at each meeting with IRS officials, his or her copy of these orders and some personal identification indicating he or she is the person designated in the order.

(7) Because students receive special orders in their names, approval from the Director, Office of Professional Responsibility will be needed each term that a STC is in operation.

(8) Without further approval from the SPEC Director, territories may continue participating with existing clinics, provided schools agree to continue adhering to IRS minimum requirements.

(9) If a clinic has suspended operation or changed directors, it needs to contact the Director, Office of Professional Responsibility before resuming clinic activities. This should be done by sending a letter requesting authorization to resume practice as a (Student Tax Clinic) STC to:

Internal Revenue Service
Director, Office of Professional Responsibility - N:C:SC:DOPR
Room 7238
1111 Constitution Avenue, NW
Washington, D.C. 20224

22.30.1.4.30 Power of Attorney (POA)

(1) Form 2848, *Power of Attorney and Declaration of Representative*, provides specific instructions for students participating in a Low Income Tax Clinic or a STC. The instructions are as follows:

- a) Under Part I, Power of Attorney, line 2, Representative, if the lead attorney or CPA will be listed as a representative, list the lead attorney or CPA first on line 2, then list the student on the next line.
- b) Under Part II, Declaration of Representative, complete it as follows:
 - 1) In the Designation column, enter "Special Orders",
 - 2) In the Jurisdiction column, enter "STCP",
 - 3) Sign and date Form 2848.

Be sure to attach a copy of the letter from the Director, Office of Professional Responsibility authorizing practice before the IRS, along with a letter identifying each student participant, on school letterhead, signed by the responsible faculty member.

(2) Students of STCs are not authorized to perform acts as shown on Form 2848, line 5, Acts Authorized, on behalf of the taxpayer, regardless of whether they are acting on behalf of the director of the clinic.

22.30.1.4.31 Student Orientation for POA

(1) The SPEC territory manager will make arrangements for the appropriate Compliance officials to meet with the participating students at each clinic at the

beginning of each term. These meetings could take the form of a brief talk by IRS officials on examination, collection and/or appeals procedures followed by a question and answer session. Since students will be subject to the disclosure provisions of Internal Revenue Code (IRC) 6103 and the power of attorney provisions in the 26 CFR §601.502, where applicable, they should be aware of these provisions.

22.30.1.4.32 Clinic Publicity for POA

(1) All publicity should be consistent with regulations contained in Treasury Department Circular No. 230 (revised 7-2002), *Regulations Governing the Practice of Attorneys, Certified Public Accountants, Enrolled Agents and Enrolled Actuaries before the Internal Revenue Service*

(2) Upon initial approval of a STC by the SPEC Director and the Director, Office of Professional Responsibility, the territory office and the school may issue a joint news release. While IRS will cooperate with the school in establishing and conducting a STC, no publicity about this program should imply that the IRS makes any representations about the competence of the student or the quality of their service.

(3) After the initial release, law or graduate accounting school generated publicity should be the primary method of communication with area taxpayers. However, IRS may provide guidance and other assistance to clinics on arranging, but may not make arrangements for, media interviews on clinic operations.

(4) The law or graduate accounting school may wish to contact local bar and accounting associations or societies to discuss publicity and other support for their clinic. IRS employees may also meet with local bar and accounting groups to discuss the STCP, but no IRS employee, while advocating the program, should deal with these organizations on behalf of a specific STC.

(5) If the school so desires, notices regarding the availability of clinic assistance may be posted in IRS offices.

22.30.1.4.33 Stuffer Notice for POA

(1) After on term of clinic operation, if the participating school requests and the territory office approves, stuffer letters may be included with certain pre-examination appointment letters. The stuffer letter alerts taxpayers to the availability of clinic assistance. The territory manager may waive the requirement that the clinic operate for one term before stuffer are used if he or she believes this is in the best interest of the clinic program.

(2) If the territory manger desires, he or she may also offer the option of having a stuffer included in post-examination letters. The post-examination stuffer may be

mailed with each tax auditor's report to taxpayers who did not agree with the proposed deficiencies during their examinations and in whose case file there is no power of attorney.

(3) The territory Compliance function will make necessary arrangements for territory and/or campuses to include the stuffer with appropriate examination appointment letters. The SPEC territory manager will:

- a) Consult with the director of the clinic and decide which post of duties (PODs) the students can reasonably serve. Since the taxpayer's residence or principal place of business governs the sites of examination, the PODs should be those which student representatives can visit in order to be present at an examination.
- b) Provide the Compliance function with a list of PODs selected to implement the stuffer mail out.
- c) Provide the Compliance function with a supply of stuffer letters reproduced on plain paper.
- d) Advise the Compliance function when to initiate and terminate mail outs in accordance with instruction received from the clinic(s).
- e) Report the number of stuffers sent during each SPEC reporting period through the SPEC territory managers to the SPEC headquarters office.

22.30.1.4.34 STCP Reporting

(1) SPEC does not report activity in connection with the STCP in the STARS program.

Exhibit 22.30.1-1 Student Tax Clinic Program Sample Letter of Application

SPEC Territory Manager
Internal Revenue Service
Address

(Salutation)

The (name) (School of Law or Graduate Accounting School) would like to apply to begin a Student Tax Clinic during the term (show term). If IRS approval for this clinic is granted, the (name) (School of Law or Graduate Accounting School) will agree to the following:

1. Meet minimum education standards of (please state your affiliation, e.g. ABA or AACSB accreditation, among others, such as licensing by a state, will satisfy this requirement);
2. Enroll in the clinic only qualified law or graduate accounting students who have successfully completed at least one law or graduate accounting school course on income tax;
3. Arrange the clinic so that sufficient supervision of the students by a licensed attorney, CPA, enrolled agent, law or account professor is available;
4. Require that the clinic director agree not to engage in any activity connected with the clinic that may raise a question about conflicting interest (see “Conflicting Interests”, Treasury Department Circular No. 230, Regulation Governing the Practice of Attorneys, Certified Public Accountants, Enrolled Agents and Enrolled Actuaries before the Internal Revenue Service);
5. Charge no more than a nominal fee to the assisted taxpayer, and give at least one consultation to each taxpayer who asks for assistance in connection with an examination or appeals issue (assistance beyond the initial consultation will be at the discretion of the clinic);
6. Furnish at the end of each clinic term the information listed below to the IRS at the above address:
 - a. The number of students participating in the clinic;
 - b. The number of taxpayer consultations given;
 - c. The number of taxpayers represented before the IRS; during the examinations only, during appeals conference only, and during both examination and appeals.

I have attached a list of the students who will be participating in the proposed Student Tax Clinic, along with the credentials and the credentials of the clinic director. I look forward to hearing from you regarding IRS approval of this clinic within thirty (30) days.

Sincerely yours,
(Signature)
Title
Date

Attachment

Exhibit 22.30.1-2 Student Tax Clinic Program Sample Application Letter

Territory Office
Address
Phone Number
Date

Address

(Salutation)

Thank you for your interest in beginning a Student Tax Clinic (STC) during the term. Before the clinic may begin, you need approval from the Director, Stakeholder Partnerships, Education and Communication (SPEC), and the Director of Practice. To secure IRS approval for your school to participate in the STC program, you must submit in duplicate a letter of application in which you agree to the requirements shown in the attached sample letter. When requesting approval for the clinic, please include:

- a. The approximate number of students who will be enrolled in the clinic.
- b. The type and level of supervision (including the credentials of the supervisor(s)).
- c. The names of the students for whom the special orders to practice in front of the IRS are to apply.
- d. The schools from which the students received their undergraduate degrees and their majors.
- e. The graduate program in which they are enrolled.
- f. The tax courses they have successfully completed.

Please return your letter of application to the address shown above. Once received, if all of the qualifications of STC's are met, we will forward your application to the Director of SPEC, who will in turn forward it to the Director of Practice for approval.

Action on your application will take no more than thirty days from the date it is received in my office. I look forward to receiving your application.

Sincerely yours,

(Signature)
SPEC Territory Manager